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fense to carry out a special educational training program for enlistees and draftees in the Armed Forces who would otherwise fail to meet minimum requirements because of education deficiencies, but who can be brought up to the necessary minimum educational standards.

The facts supporting my bill are evidence for the need to train those numerous young men who are rejected for military duty because they cannot meet the required mental qualifications and standards of our Armed Forces.

About one-third of all young men who volunteer and who are drafted for military service are rejected because of mental and educational deficiencies.

This is alarming when we realize that many of the most brilliant and promising of our young population are now fighting a war in Vietnam, and things are not on the rosy side in other parts of the world: Southeast Asia, Latin America, and the always potentially explosive West European theater.

During fiscal year 1964, according to the Secretary of the Army, over 181,000 young men volunteered for enlistment in the Regular Army. About 111,200 met all mental, and physical, and moral standards. Of the 69,900 who were rejected, 700 failed because they could not meet moral standards or because they lacked both mental and physical minimum qualifications.

Some 56,600 volunteers were turned down last year because their mental test scores were too low. This is shocking and something must be done.

I propose that of these mental rejectees those who can be trained for useful military service, be trained and schooled in needed basic educational requirements so that they may meet the minimum requirements of the Armed Forces, and be retained in the service to fulfill their military obligation. This is not a social or antipoverty experiment. This is securing America's future by expanding our pool of able-bodied, mentally sound young men to keep the peace. It will have incidental benefits of spreading the opportunity for service in a broader population and in gaining educational opportunities for those involved.

My legislation is needed to authorize the Secretary of Defense to proceed with this program, after appropriate congressional hearings by the Armed Services Committees and the Appropriations Committees of both the House and the Senate. Full hearings on this bill will establish this program as a military training program vital to our Nation's security.

In working on this legislation I have had the benefit of the wide experience of Mr. Frank D. Bisbee, chairman of the board of the Bisbee-Baldwin Corp., of Jacksonville, Fla., who served for many years as chairman of the selective service board in my hometown. I was greatly impressed by his concern that many young men of apparent strength, energy and mental intelligence were being rejected for military service. Either the standards were too high, or these young men lacked the educational training to make them good soldiers.

In support of this legislation I am

drawing on the fine presentation by the Department of the Army over the last year of its special training enlistment program—STEP. The purpose of the STEP is to increase the number of volunteers accepted by the Army without lowering standards. The Army proposes to give educational training to some volunteers for enlistment in the Army who are now being turned away because they do not meet Army enlistment standards. If the extra training or treatment brings a man up to the enlistment standards, he will then serve out the balance of a 3-year tour; if a man fails to achieve the Army's standards, he will be discharged. The weakness of the STEP program is that its future is in doubt because of lack of specific authorizations by Congress and because it does not apply to draftees or to any service except in the Army.

This productive program should certainly be made available not only to those volunteers who enlist for 3 years in the regular service, but also to draftees who must serve 2 years in the Armed Forces. It should also most certainly be made available to other services, not just the Army.

In a recent Gallup poll, some 83 percent of those responding to a poll favored a program requiring all physically fit young men who cannot pass an educational test to serve for at least 1 year in some other form of military service. This indicates the mood of the country to retain these rejectees in the service. My bill would help train these young men for useful military service.

Mr. Speaker, I am hopeful for early hearings on my bill which would do away with a great annual waste of potential military talent, and make them better citizens of our Nation and better able to serve themselves and their families.

The bill H.R. 11153, as introduced, follows:

H.R. 11153

A bill to authorize the Secretary of Defense to carry out a special educational training program for enlistees and draftees in the Armed Forces who would otherwise fail to meet minimum requirements of the Armed Forces because of educational deficiencies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Defense is hereby authorized to carry out a special educational training program for enlistees and draftees, in the Armed Forces who, because of educational deficiencies, would otherwise fail to meet minimum requirements of the Armed Forces, but who with such training can become useful members of the Armed Forces, and to retain them in the service to fulfill their military obligation. The period of such educational training shall be counted as a part of the obligated service of each such enlistee or draftee. There is hereby authorized to be appropriated such sums of money as may be necessary to carry out the provisions of this Act.

JUSTICE DEPARTMENT SHOULD INVESTIGATE RACIAL MURDER CASE IN HAYNESVILLE, ALA.

(Mr. FARBSTAIN asked and was given permission to address the House for 1 minute.)

Mr. FARBSTAIN. Mr. Speaker, it is with virtual disbelief that I read reports on the prostitution of justice that is currently being perpetrated in Haynesville, Ala., where a local man is being tried for the slaying last month of Jonathan M. Daniels, a ministerial student and civil rights worker. Judge T. Werth Thagard is clearly engaged in the most flagrant prejudicial action in order to achieve an acquittal for the accused man, Thomas L. Coleman. The judge has denied the prosecution a delay to permit Father Richard Morrisroe, a priest who was shot with Daniels, to give testimony favorable to the prosecution. Father Morrisroe is still hospitalized from his wounds. I cannot fail to observe that there was a day when southern justice depended largely on all-white juries to grant acquittals for racial crimes. It seems clear to me now that southern courts are not even going through the motions of dispensing justice fairly. The trial in Haynesville and other recent examples of southern judicial procedure suggests that the State judiciaries have flung defiance at the Nation in order to protect the most vicious agents of the white supremacy system. I implore the Justice Department to seek out the power to prevent this outrageous judicial approval of racial murder.

ARCHBISHOP-ELECT PHILLIP M. HANNAN

(Mr. BOGGS asked and was given permission to address the House for 1 minute.)

Mr. BOGGS. Mr. Speaker, I take this time to announce to the House that one of the distinguished clergymen from the Washington diocese who preached the funeral oration for our late beloved President Kennedy, Bishop Hannan, has been named as archbishop-elect of the diocese of New Orleans. We in the great southern city of New Orleans are very happy indeed to welcome him to our city.

PROTEST AGAINST SOVIET PERSECUTION OF JEWS

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute.)

Mr. ANNUNZIO. Mr. Speaker, on February 4, 1965, because I felt there was a pronounced and continuing need for America to express itself against Russia's persecution of its Jewish citizens, I introduced in the Congress House Concurrent Resolution 177.

Last March, in a speech delivered from the floor of the House, I spoke out against the Soviet Union's abuses of its Jewish subjects. We are now in the midst of the High Holy days of the Jewish religion, Rosh Hashana and Yom Kippur. There is no more appropriate time than this to remember the Jews in the Soviet Union who cannot observe these holidays, and once more, my distinguished colleagues, I fervently appeal to you to join me in publicly condemning the actions of the Soviet Union.

Persecution in the Soviet Union is by no means an innovation. As far back as the 1800's, Russians isolated the Jews in

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it the Vice President hopes to pitch the first ball in the World Series. This is a natural desire because the Twins are his hometown team for which he feels pardonable pride.

But there is a rumored snag. The President is expected to pull rank on the Vice President and is expected to ask to throw the opening ball. The President, in all probability, feels it his "solemn obligation" because of tradition, and his keen enthusiasm for sports. The fact that 95 percent of all television sets in the country will be tuned in at that particular time, of course, has nothing to do with the decision.

Mr. Speaker, if, indeed, it is true that these two great public figures are deadlocked on the right to throw the first ball, I realize it is presumptuous of me, a Republican freshman, to offer a solution.

However, since no one else has come forth with a workable solution, I would like to make the following proposal in the interest of good sportsmanship and fair play: That the President throw the first ball out of deference to his office and the fact that he might turn off the lights if it is cloudy or a night game.

Vice President HUMPHREY, by the way of compensation, could be made third base coach, a job he is eminently qualified to hold. There he could secretly call signals and at the same time keep an eye on left field where his friends play.

It is hoped that neither be allowed to umpire, since a "something for everyone" attitude could only lend frustration for pitcher and batter alike. In fact, it might disrupt the entire game.

Another rumor has been going around in this connection which has no foundation in fact: That is, that the junior Senator from New York, formerly from Virginia, formerly from Massachusetts, would like to play. I am told by an unimpeachable source that he is not being considered because if he got to third base, even by running for someone else, it is doubtful that he would know for sure which plate was home.

CIVIL SERVICE COMMISSIONER

(Mr. NELSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NELSEN. Mr. Speaker, I will today release a statement relative to the recent added activity of the Civil Service Commissioner, Mr. Macy. It is my understanding that he has now joined the Arm-Twisting Corps. He is Chairman of the Civil Service Commission, and he has in addition to this responsibility been endeavoring to recruit qualified persons for appointive positions on behalf of the President of the United States.

In view of the fact he has failed to enforce the civil service laws under his charge, I would suggest to the Commissioner that he search for a new man to fill the job of Chairman of the Civil Service Commission, one who will properly interpret the law, and will enforce it.

TRIBUTE TO THE LATE SENATOR
ELMER THOMAS OF OKLAHOMA

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matters.)

Mr. PATMAN. Mr. Speaker, I rise to pay tribute to former Senator Elmer Thomas, who at the age of 89 passed away in Lawton, Okla., on September 19.

The State of Oklahoma and indeed the Nation have lost a great champion of democracy. He was an outstanding patriot and citizen.

As an ardent silverite, he was deeply concerned with finance and agriculture and widely known for his advocacy of the Patman bonus bill with its greenback clause.

It has been said by many of his friends that he owed his success to his watchfulness over the little things. Instead of following the procedure of the destructionist, who merely makes little things out of big ones, he had the knack of assembling the minutiae and converting them into life-size achievements. Several might be mentioned: one of them a 1,000-acre park, another a State capitol building.

Indiana was Senator Thomas' birthplace, but he was a prominent Oklahoman before Oklahoma's own first birthday as a State. From his farm home in Putman County, Ind., where he was educated in the common schools, he went to the Central Normal College at Danville, but not until after he had saved enough to carry him through by working on farms, in public works, and finally teaching school.

After graduating from college, he entered De Pauw University at Greencastle, where he was graduated in 1900 with the degree of A.B. He was admitted to the Indiana bar and turned westward. He spent a few months in Oklahoma City and then moved to Lawton which became his home.

In the years up to 1907 when Oklahoma achieved her statehood, Elmer Thomas became a more and more prominent figure in the community and when, out of the bitter controversy that arose over the choosing of the first State senator, a compromise was agreed upon, the rising young lawyer found himself the fortunate man. Elected to the State senate he threw himself into the legislative activities with the same zeal and application which he had shown in his private affairs. He soon became known as an expert parliamentarian.

His first step into the national arena was election to the House of Representatives in 1924. National politics were not entirely strange to him when he entered Congress. At the beginning of World War I, against great obstacles, he was prominent in the establishment of one of the 16 great national training camps at Fort Sill, Okla.

In the House he served on the Claims, Public Lands, and Roads Committees.

In 1926 Elmer Thomas was elected to the U.S. Senate where he served with distinction for 24 years.

He soon began making his presence felt. He served as chairman of the Indian Affairs Committee, on the Committee on Agriculture and Forestry, on the Appropriations Committee, the Library Committee, and became chairman of a special Committee on Silver.

Besides the prominence he took whenever the question of the currency arose and there was a chance for him to speak a good word for silver, he worked hard in his capacity as chairman of the District of Columbia Subcommittee of the Appropriations Committee. He also played a great part in shaping the appropriation bills for the Army, Navy, and Interior.

He was a strong force in the New Deal and was an expert on Indian affairs, financial affairs, agriculture, and oil.

Quiet and dignified in his bearing, serious and studious, he was credited with a social temperature that made his relationships cordial.

Senator Thomas strove for orderliness in the complexity of governmental affairs. Few Members of the Congress have had the capacity for so wide a range of legislative interest.

ROBERT M. HARRISS PAYS TRIBUTE

Mr. Speaker, a good patriotic American, Robert M. Harriss, of New York, was one of Senator Thomas' most ardent supporters. His letter to me concerning the death of his long-time friend, Senator Thomas, is self-explanatory:

FOREST HILLS, N.Y., September 21, 1965.

HON. WRIGHT PATMAN,
House Office Building,
Washington, D.C.

DEAR WRIGHT: I was deeply grieved to hear of our old friend, Senator Elmer Thomas' death. He was a patriot, loved God and his country and fellow man.

Senator Thomas and you led the fight in Congress for monetary reform which resulted in our country getting off the old ruinous gold basis of \$20.67 for the dollar. This broke the devastating depression of the early 1930's. In fact it was the only major legislation at that time which was upheld by the Supreme Court as constitutional.

I still remember well the unwarranted abuse and smearing that you both took for your patriotic efforts.

With all good wishes,
Sincerely,

ROBERT M. HARRISS.

LET'S EDUCATE MILITARY REJECTS TO HELP SERVE THE
NATIONAL DEFENSE EFFORT

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, I have introduced legislation in the House of Representatives which I feel is long overdue, and is essential to our national defense effort in these times of crisis around the world. I also feel it can improve the fairness of military obligations and improve the educational attainment of trainable persons.

The bill I have introduced, H.R. 11153, would authorize the Secretary of De-

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ghettos and periodically raided these villages and killed and tortured thousands of Jews. It was necessary not only for the Jewish citizens, but for their religious leaders, the rabbis, to keep arms in their basements to protect themselves. It is true we do not hear of murders of Jews today but religious discrimination continues to exist in Russia. During the week of September 13, I attended a conference given by the National Vigil for Soviet Jewry and I heard with horror and anguish the discrimination, repression and bigotry to which the Jewish people in Russia are being subjected.

Let us join in urging Russia to extend to the Jews the same rights and privileges enjoyed by other Soviet national and religious groups, to enable Jews to participate once more in their cultural traditions and in their communal institutions so that these traditions and institutions may be enhanced and perpetuated, to permit the local manufacture, import, and distribution of religious articles which are vital to Judaism, to permit Soviet Jewry to maintain religious and cultural bonds with Jewish communities abroad, to permit Jews whose families were ruptured by the Nazi cataclysm to reunite with them in other lands and to use every other possible means to eliminate anti-Semitism in the Soviet Union.

Let us unite in reaffirming to the Soviets and to all nations our belief that mankind the world over should be free from tyranny and oppression. I am hoping that before the end of the 89th Congress the Members of this body, by passage of House Concurrent Resolution 177, shall express themselves with such certainty that there can be no mistake on this vital issue.

PSYCHOLOGICAL AND PERSONALITY TESTING

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. EDWARDS of Alabama. Mr. Speaker, many citizens of the country are encouraged that a Special Subcommittee of the House Government Operations Committee has conducted a thorough inquiry into the matter of psychological and personality testing.

And any recommendations the subcommittee can provide will surely be welcome. It seems clear that some kind of remedial action is needed, through legislation or another approach.

There are two aspects to the growing problem. The first is with regard to the testing of psychological conditions. The second has to do with tests meant for measurement of academic achievement but which are evidently being slanted in a way which conveys political or ideological significance.

No responsible person will quarrel with the need for having either kind of testing. They have a proper place in education and in the study of psychology.

But they must be recognized as tools which can be used for ill purpose, either by overly enthusiastic educators or a

Federal bureaucracy directed by an ambitious political regime.

Never before have the American people been subjected to such threats to privacy by the Government itself or by Government subsidized organizations. We are told that wiretapping by some Government agencies is now regarded as an accepted practice. At least one agency is engaging in organized practice of various techniques to invade the private lives of individuals and families.

Add to this the abuse of testing, and we are faced with a situation which brings us far closer to the "1984" of George Orwell, and the "The Brave New World," of Aldous Huxley.

We pride ourselves on being individuals, and we trace our history to men and women who sought freedom from oppression of any kind.

Yet today we seem to be marching without effective protest into a situation in which a Washington directorate can act as a "big brother" by making rules and setting standards from which no deviation is tolerated.

News reports published this morning tell of a great new testing program being undertaken by the Office of Education. The program will not only test more young people than ever before, but will also go into new kinds of questions, and there is serious doubt as to what, if any, limitations apply to what kinds of questions may be asked of our young people in public schools. The objectives of this new program are not primarily to measure academic achievement, but rather to adjust social conditions to conform with ideas established in the Federal bureaucracy.

We do know that thousands of schoolchildren have been asked of their attitudes toward sex, religion, and family relationships. And we know that children cannot be expected to do anything but tolerate even very personal questioning.

We also know that in today's political climate, Government employees or private industry employees where Government contracts are a big factor and applicants for Federal jobs, all submit to tests in a docile manner.

It has been brought to light in the past 2 weeks that political connotations have been conveyed in some tests. And the ranking Republican member of the House Education and Labor Special Subcommittee on Education has asked the Commissioner of Education if Federal funds are being used to purchase politically slanted materials used in public schools.

This is a problem area which badly needs the continuing and extensive attention of the American people and, therefore, of the Congress.

In each case in world history in which a representative government has deteriorated into dictatorship, control of attitudes of the people has been a major tool of a power-hungry government clique. And it has been accomplished under the guise of welfare or progress. And in each case the people sat by quietly at the early stages of development of this control, until the point of no return had been reached.

And then, of course, there is no longer

any opportunity for anyone to speak out for their rights as individuals and for the principles of free speech and individuality.

Surely, this country will not permit that to happen here.

I include in my remarks an editorial from the Wall Street Journal of today which touches on this subject.

PEEPING ON THE GRAND SCALE

Psychological testing, like testing for aptitudes, doubtless has its place and uses. But it is a question whether the wholesale peeping into people's minds that is going on in government, industry, and schools is desirable, necessary, or even effective.

Winding up a 3-month inquiry into such psychological and personality testing, a House Government Operations Subcommittee heard pleas from a number of witnesses that Congress adopt curbs against the indiscriminate use of the quizzes. It is easy to see why.

The committee found, among other nauseous examples, that employees of the Bonneville Power Administration being considered for promotion were asked questions like "Which would you rather do: (a) kiss a person of the opposite sex, or (b) experiment with new things. Choose one."

It further learned that the Labor Department last year gave psychological tests to more than 20,000 applicants for counseling jobs in youth opportunity projects. The applicants were supposed to give their reactions to the following kinds of statement: "Most people worry too much about sex," and, "I think Lincoln was greater than Washington."

Moreover, thousands of schoolchildren, under research projects financed by the U.S. Office of Education, have undergone psychological testing in an attempt to probe their attitudes toward sex, religion, and family life.

Perhaps the most extraordinary thing about it all is the docility with which candidates for Government jobs, Federal employees, people in industry—where testing seems on the increase—and schoolchildren tolerate the intimate questioning. Especially with a tool still of dubious value.

One reason, perhaps, is that advanced by Dr. Karl Smith, professor of industrial psychology at the University of Wisconsin: "The American people have been fooled into believing that a few simple-minded true-false or multiple-choice questions can be used to forecast the careers of their children in school and in the university and to predict their own careers in work because of two influences: Fear of the pseudo-quantitative, mental-medical mumbo-jumbo of the psychiatrist and clinical psychologist, and the misleading propaganda of organized psychology in claiming that guesswork and statistical shotgun procedures have medical and scientific significance."

If that is true, maybe what's really needed to bridle the inquisitive testers is not a new law but simply the application of a little horse sense and elementary respect for privacy.

U.S. TRADE SURPLUS SHRINKS—MORE BALANCE-OF-PAYMENTS TROUBLE AHEAD

(Mr. CURTIS (at the request of Mr. DEL CLAWSON) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CURTIS. Mr. Speaker, for years, while the United States has been experiencing recurrent deficits in its balance of payments, we could always point with pride at our growing trade surplus. It has been this trade surplus that has

helped to finance the individual deficit items in our balance-of-payments account without running as large an overall deficit as we otherwise would have done. One reason for the strength of our trade position has been the remarkable stability of U.S. export prices while the export prices of foreign nations have moved sharply upward. Recently, however, both these trends have begun to slow down in a manner that may spell trouble for the United States.

International Monetary Fund reports show that the average price of U.S. exports, which as recently as last fall stood at 103 percent of the 1958 average, no higher than in 1961, has jumped to 105 percent. At the same time, the export price indexes of many other trading nations seem to be leveling off. The index covering the major industrial nations of continental Europe, for instance, rose 4 percent between mid-1963 and mid-1964, but has remained at 104 percent of the 1958 average since early last year.

This may account in part for the fact that during the first 7 months of 1965, our trade surplus as a seasonally adjusted annual rate was \$4.9 billion, or down about \$2 billion from the 1964 level. Imports through July were running at an annual rate of 12 percent above the 1964 level while exports were only 2 percent higher.

We do not have to look very far to find a reason for this behavior. It is no coincidence that IMF figures show that living costs in many foreign nations are climbing less sharply than they once were while, at the same time, there are signs of a faster rise in the U.S. cost of living. In recent years, the U.S. index has risen about 1.2 percent annually, but in the first half of this year, the rise has amounted to 1.1 percent. The period of mild annual price rises may well be over.

The rapid pace of the American economy has certainly put increasing upward pressure on U.S. prices. Some indications of the price pressure are that our factories are now operating at about 90 percent of capacity and unemployment among married men, the backbone of the labor force, now amounts to about 2.3 percent, down sharply from the 5.1 percent early in the current economic expansion. In addition, the prospect of increased defense spending for Vietnam is in the wind.

There appears to be no such mounting price pressure in the foreign countries that compete with the United States in world markets. There are indications that Europe's economic expansion is slowing down, most probably because of restrictive, anti-inflationary government policies.

A recent study by the Boston Federal Reserve Bank also indicates the U.S. competitive position in world markets may be getting rapidly weaker. All of these factors pointing to a deterioration in the U.S. trade position do not necessarily mean that we are going to lose our position as world trade leader. But, as a recent article in the Wall Street Journal points out, the record of recent months suggests that massive trade surpluses are by no means guaranteed. And with the shrinkage of these significant surpluses,

this country's balance-of-payments problem may become worse than it already is. Under unanimous consent, I include the article in the August 23 edition of the Wall Street Journal, in the Record at this point:

THE OUTLOOK: APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

For years the large and growing trade surplus of the United States has been the envy of foreign capitals. In 1964 it reached a record \$6.7 billion and, though the final total probably won't match last year's, all signs point to another multibillion-dollar surplus for 1965. A singular statistic helps explain this happy trend: The average price of U.S. exports has remained remarkably flat in a period when the general price movement in world markets has been sharply upward.

Very recently, however, this picture has begun to change—in a manner that does not augur well for the United States. International Monetary Fund reports show that the average price of U.S. exports, which as recently as last fall stood at 103 percent of the 1958 average of 100, has jumped to 105; the significance of this increase can be appreciated if one considers that the export price index, at 103 last fall, was no higher than in 1961.

At the same time, after climbing steadily for years, the export price indexes of many other trading nations appear to be leveling off. The index covering the major industrial countries of continental Europe, for instance, has remained at 104 percent of the 1958 average since early last year; between mid-1963 and mid-1964, in contrast, this index climbed 4 percent.

In Japan, export prices have stood at 101 percent of the 1958 base since the start of last year; in the previous 2 years, by comparison, the Japanese index climbed more than 4 percent. At 98, Canada's export price index is actually a point below the level at the end of last year. Other countries where export prices have declined in recent months include Italy, Denmark, the Netherlands, Norway, and Switzerland. Export prices have remained flat, or nearly so, in the United Kingdom, France, and West Germany.

By no coincidence, IMF figures show, living costs in many of these nations are climbing less sharply—at the very time there are signs of a faster rise in the U.S. cost of living. In France, where President de Gaulle has launched an anti-inflation drive, living costs have barely budged since the start of the year. In the previous 12 months, by comparison, they increased nearly 4 percent, and the gain was even sharper before 1964.

The living-cost pattern appears similar in such other lands as West Germany, Italy, and Britain, where the government has recently taken major steps to hold down prices. In Japan, where the cost of living had been rising especially swiftly, living costs actually fell in a recent month.

The U.S. cost-of-living index, on the other hand, has begun to move up at a faster pace. In recent years, the U.S. index has risen at the relatively mild rate of about 1.2 percent annually. In only the first half of this year, however, the rise has amounted to 1.1 percent, a gain that clearly indicates the recent period of 1.2 percent annual gains may be over.

The rapid pace of the American economy, of course, has tended to put increasing upward pressure on U.S. prices. American factories, which a few years ago were using less than 80 percent of their full capacity, now are operating at about 90 percent, according to Federal estimates. This rate, history suggests, is dangerously near the level at which prices begin to move up swiftly.

Similar pressure on U.S. prices is indicated by labor statistics. The rate of unemployment among married men, the backbone

of the labor force, amounts to only 2.3 percent, down sharply from 5.1 percent early in the current economic expansion. On top of all this, the prospect of rising defense outlays for Vietnam can only add inflationary pressure.

There appears to be no such mounting price pressure in many countries that compete with the United States in world markets. A recent report by New York's Chase Manhattan Bank states that "the tempo of Europe's economic expansion has slowed considerably this year" and attributes the slowdown to "restrictive, anti-inflationary policies on the part of most governments."

For instance, according to the report, wage rates in most European countries are rising more slowly than a year ago. In France, typically, wages climbed only 2 percent in the first half of 1965, down from a 3.2 percent gain in the like 1964 period. It also should be noted that the Vietnam war is placing relatively little strain on most European economies; Britain, in fact, recently announced a \$616 million slash in its annual defense budget, as part of its fight against inflation.

A study by the Boston Federal Reserve Bank, discussed in the July issue of the bank's monthly business review, also indicates the U.S. competitive position in world markets may be getting rapidly weaker. The study, which covered some 200 types of consumer goods, concludes that in foreign markets "our position has sharply deteriorated."

In addition to developments on the price front, there is some increasing concern over the make-up of U.S. trade statistics. Studies indicate the big surpluses of recent years reflect more than simply successful competition in the world markets. They also reflect such factors as Government grants and exports by U.S. companies to their foreign-based subsidiaries. One study, which scrutinized the trade figures for a recent year, found that a \$5.4 billion trade surplus melted down to a \$500 million surplus after such factors were discounted.

To be sure, it is by no means certain that Uncle Sam is about to lose his position as titan of world trade. It is not clear, for instance, that the recent jump in U.S. export prices signals a long-term trend or that Europe's drive against inflation will succeed. Nevertheless, the record of recent months suggests that continuing massive trade surpluses are by no means guaranteed. Without such surpluses, it is hardly necessary to add, this country's balance-of-payments problem, already worrisome, could become dire.

ALFRED L. MALABRE, JR.

BENEFICIAL EFFECTS FLOWING FROM SUSPENDING THE IMPORT DUTY ON NICKEL

(Mr. SCHNEEBELI (at the request of Mr. DEL CLAWSON) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SCHNEEBELI. Mr. Speaker, it is gratifying to report to the House an article commenting on the beneficial effects flowing from our recent congressional action in suspending the import duty on nickel. Following House approval of this legislation, the unanimous vote by the Senate, and the approving signature of the President, the Canadian exporters passed along by a price cut the entire amount of the suspended duty of 1¼ cents per pound. This action "removes the price disadvantage previously